

10/03

BROADMOOR CHARTER SCHOOL BOARD, INC.

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/17/10

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Broadmoor Charter School Board, Inc.

We have audited the accompanying statement of financial position of the **Broadmoor Charter School Board, Inc. (the School)** (a not-for-profit corporation) as of June 30, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of **the School**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the School** as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
Broadmoor Charter School Board, Inc.
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In accordance with Government Auditing Standards, we have also issued our report dated February 26, 2010 on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 26, 2010



BROADMOOR CHARTER SCHOOL BOARD, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Cash	\$ 100,909
Grants receivable, net (NOTE 9)	365,079
Prepaid expenses	27,822
Due from management company (NOTE 10)	800,519
Fixed assets, net (NOTE 2)	<u>431,756</u>
 Total assets	 <u><u>\$1,726,085</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 323,182
Accrued liabilities	447,126
Due to management company	<u>795,771</u>
 Total liabilities	 <u>1,566,079</u>
 Net assets:	
Unrestricted (NOTE 1)	<u>160,006</u>
 Total net assets	 <u>160,006</u>
 Total liabilities and net assets	 <u><u>\$1,726,085</u></u>

The accompanying notes are an integral part of these financial statements.

BROADMOOR CHARTER SCHOOL BOARD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES

Local Sources:	
Per pupil aid - MFP (NOTE 1)	\$1,616,375
Miscellaneous	<u>59,545</u>
Total revenues from local sources	<u>1,675,920</u>
State Sources:	
Per pupil aid - MFP (NOTE 1)	1,309,877
Grant	<u>39,527</u>
Total revenues from state sources	<u>1,349,404</u>
Federal sources	<u>754,497</u>
Management company contribution (NOTE 10)	<u>800,519</u>
Total revenues	<u>4,580,340</u>

EXPENSES

Program Services:	
Instruction	2,342,330
Support Services:	
Pupil support services	235,464
Instructional staff services	894
General administration	2,584
School administration	317,342
Business services	28,049
Plant services	313,005
Student transportation services	440,847
Central services	132,149
Food services operations	211,870
Provision for uncollectible accounts	431,241
Depreciation expense	<u>124,565</u>
Total expenses	<u>4,580,340</u>
Change in net assets	-0-
Unrestricted net assets, beginning of year	<u>160,006</u>
Unrestricted net assets, end of year	<u>\$ 160,006</u>

The accompanying notes are an integral part of these financial statements.

BROADMOOR CHARTER SCHOOL BOARD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ -0-
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Provision for uncollectible accounts	431,241
Depreciation expense	124,565
Decrease in grants receivable	141,901
Increase in prepaid expenses	(27,822)
Increase in due from management company	(800,519)
Increase in accrued liabilities	137,783
Increase in accounts payable	209,060
Decrease in due to management company	<u>(325,292)</u>
Net cash used in operating activities	<u>(109,083)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of fixed assets	<u>(72,729)</u>
Net cash used in investing activities	<u>(72,729)</u>

Decrease in cash	(181,812)
Cash, beginning of year	<u>282,721</u>
Cash, end of year	\$ <u>100,909</u>

The accompanying notes are an integral part of these financial statements.

BROADMOOR CHARTER SCHOOL BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies:

General

The **Broadmoor Charter School Board, Inc. (the School)** (a not-for-profit corporation) was granted a charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in 2007 to operate a Type 5 public charter school d/b/a **Andrew H. Wilson Charter School**. The School entered into a management agreement with the EdisonLearning, Inc. (EdisonLearning) to act as a management company of the charter school. EdisonLearning manages all aspects of the charter school unless provided in the management agreement.

The management agreement with EdisonLearning commenced on July 30, 2007 and ending on June 30, 2012, unless terminated earlier or extended in accordance with the terms and conditions set forth in the management agreement. On February 24, 2010 an agreement was reached between both parties that prohibited the termination of the management agreement in consideration of the deficit forgiveness as described in NOTE 10. The agreement shall renew automatically for a term of five (5) years unless notice to the contrary is given by the parties of the agreement as required by the renewal section of the agreement.

During the 2009 school year, **the School** served kindergarten through sixth grades, with an enrollment of 402 students.

Basis of Accounting

The School's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BROADMOOR CHARTER SCHOOL BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Fixed Assets

Fixed assets consist of equipment, property, curriculum, furniture, fixtures, technology assets and leasehold improvements that are purchased by or donated to **the School**. Curriculum assets represent any instructional materials and equipment including books, videos, globes, calculators, science equipment, CDs, DVDs, musical instruments, gymnasium equipment and other.

Fixed assets of **the School** with a cost of \$1,000 (\$500 for curriculum) or more are recorded as assets (capitalized) and are stated at historical costs if purchased or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

Grant Revenue

Revenues from governmental grants are recognized when allowable expenditures are made by **the School**. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Grants Receivable

The grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements include an estimate for allowance for doubtful accounts.

BROADMOOR CHARTER SCHOOL BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Statement of Cash Flows

For the purpose of the statement of cash flows, cash equivalents include all highly liquid instruments purchased with original maturities of three (3) months or less. **The School** had no cash equivalents at June 30, 2009.

Income Taxes

The School is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in accompanying financial statements.

Financial Statement Presentation

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", **the School** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets - Support, revenues, and expenses for the general operation of **the School**.

Temporarily Restricted Net Assets - Contributions specifically authorized by the donors to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets - Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by **the School**. Generally, the donors of these assets permit **the School** to use all or part of the income derived from the investment of these contributions.

At June 30, 2009, **the School** has no temporarily or permanently restricted net assets.

BROADMOOR CHARTER SCHOOL BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Contributions

In accordance with Statement of Financial Accounting Standards (SFAS) No 116, "Accounting for Contributions Received and Contributions Made", unconditional promises to give (pledges) should be recorded as receivable and revenues and **the School** is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

Minimum Foundation Program (MFP)

The School, as a Type 5 charter school, received funding from BESE in an amount for pupils based on estimated daily attendance at **the School**. The amount of funding received is adjusted during the school year based on a student count on a designated date and the results of any audits performed.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among instructional and support services in the accompanying statement of activities.

BROADMOOR CHARTER SCHOOL BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Fixed Assets:

The following is a summary of fixed assets at June 30, 2009:

Curriculum - textbooks and workbooks	\$ 551,035
Equipment and furniture	126,184
Less accumulated depreciation	<u>(245,463)</u>
 Fixed assets, net	 \$ <u>431,756</u>

Depreciation charged to operations at June 30, 2009, was \$124,565.

NOTE 3 - Risk Management:

The School is exposed to various risks of loss related to torts, theft of, damage to and destruction of property or which **the School** carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 4 - Concentration of Credit Risk:

The School maintains cash balances at a local bank. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000. At June 30, 2009, **the School's** bank deposits were fully covered by federal deposit insurance.

BROADMOOR CHARTER SCHOOL BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Contingency:

The School is a recipient of local, federal, and state grants. The grants are governed by various local, federal, and state guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants are under the control and administration of **the School** and are subject to audit and/or review by the local, federal, and state grantor. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the local, federal, and state agencies may be subject to recapture.

NOTE 6 - In-Kind Contributions:

The School received rent-free use of a school building from the Recovery School District (RSD) and also the use of furniture and equipment rent-free. The estimated value of the use of the building and furniture/equipment was not readily determinable and no amounts have been recorded in the accompanying financial statements.

NOTE 7 - Board of Directors' Compensation:

The board of directors is a voluntary board, therefore, no compensation was paid to any board member during the year ended June 30, 2009.

NOTE 8 - Contractual Services:

The School's principal is an employee of EdisonLearning. Food service and maintenance personnel are provided by respective independent contractors. All other personnel are employed by **the School**.

BROADMOOR CHARTER SCHOOL BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - Grants Receivable:

Grants receivable at June 30, 2009, consists of the following:

Government grants	\$ 721,288
Private grants	75,032
Less: allowance for doubtful accounts	<u>(431,241)</u>
Grants receivable, net	\$ <u>365,079</u>

NOTE 10 - Due from Management Company:

The management company agreement is a residual fee agreement. This means that the management company receives its fee only when revenues exceed expenses. Operational expenses are paid by the management company and the School reimburses the management company based upon the revenues it receives. In fiscal year ended June 30, 2009, the School's operational expenses exceeded revenues. The management agreement permits the management company to provide a working capital loan (or cash flow advance) to cover the expenses when the revenues are insufficient. The management company is entitled to repayment of the working capital loans notwithstanding whether the management company is entitled to its fee. The management company has agreed with the School to waive the repayment of the working capital loans for the 2009 fiscal year and to eliminate the deficit or the excess of expenses over revenues at June 30, 2009.

As a result of the management company waiving the working capital loans to eliminate the 2009 deficit, the School recognized revenue in the form of a contribution from the management company amounting to \$800,519. As of June 30, 2009, \$800,519 relating to this transaction is due from the management company.

SUPPLEMENTARY INFORMATION

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

	FEDERAL CFDA <u>NUMBER</u>	FEDERAL <u>EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION:		
Passed through State Department of Education:		
IASA Title I	84.010	\$ 400,049
IASA Title II	84.367	46,970
IASA Title IV	84.186	4,270
IDEA P.L. 101-476	84.027	71,956
IDEA Section 619 - Preschool	84.173	17,097
Hurricane Education Recovery Act - HEAP	84.938K	57,850
Public Charter Schools Program	84.282	<u>74,031</u>
Total U.S. Department of Education		<u>672,223</u>
U.S. DEPARTMENT OF AGRICULTURE:		
Passed through State Department of Education:		
School Lunch Program	10.555	<u>82,274</u>
Total U.S. Department of Agriculture		<u>82,274</u>
Total Expenditures of Federal Awards		<u>\$ 754,497</u>

NOTE: The accompanying schedule of expenditures of federal awards includes the federal grant activity of **the School** and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See the Independent Auditors' Report on Supplementary Information.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Broadmoor Charter School Board, Inc.

We have audited the financial statements of the **Broadmoor Charter School Board, Inc. (the School)**, (a not-for-profit corporation) as of and for the year ended June 30, 2009, and have issued our report thereon dated February 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the **School's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **School's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **School's** internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting, Continued

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects **the School's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of **the School's** financial statements that is more than inconsequential will not be prevented or detected by **the School's** internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 09-01 through 09-05, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by **the School's** internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we considered the significant deficiencies described in the accompanying schedule of findings and questioned costs, as items 09-01 through 09-05, to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the School's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of **the School** in a separate letter dated February 26, 2010.

This report is intended solely for the information and use of management, the **Broadmoor Charter School Board, Inc.'s** Board of Directors, the Louisiana Recovery District, the Louisiana Legislative Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 26, 2010



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Broadmoor Charter School Board, Inc.

Compliance

We have audited the compliance of the **Broadmoor Charter School Broad, Inc. (the School)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. **The School's** major federal programs are identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of **the School's** management. Our responsibility is to express an opinion on **the School's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

(CONTINUED)

types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **the School's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **the School's** compliance with those requirements.

In our opinion, **the School** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of **the School** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **the School's** internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **the School's** internal control over compliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in **the School's** internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in **the School's** internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects **the School's** ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by **the School's** internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-06 and 09-07 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by **the School's** internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

This report is intended solely for the information and use of management, the **Broadmoor Charter School Board, Inc.**'s Board of Directors, the Louisiana Recovery District, the Louisiana Legislative Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 26, 2010

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section I - SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: unqualified opinion.
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: yes Material weaknesses: yes.
- C. Noncompliance which is material to the financial statements: no.
- D. Significant deficiencies in internal control over major programs: yes Material weaknesses: no.
- E. The type of report issued on compliance for major programs: unqualified opinion.
- F. Any audit findings which are required to be reportable under Section 510(a) of OMB Circular A-133: yes.
- G. Major programs:

<u>CFDA Number</u>	<u>Program</u>
84.010	IASA Title I
84.282	Public Charter Schools Program

- H. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
- I. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: no.
- J. A management letter issued: yes.



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INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Directors of
Broadmoor Charter School Board, Inc.

We have audited the financial statements of the **Broadmoor Charter School Board, Inc. (the School)** for the year ended June 30, 2009 and have issued our report thereon dated February 26, 2010.

In planning and performing our audit of the financial statements of **the School** as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered **the School's** internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the School's** internal control. Accordingly, we do not express an opinion on the effectiveness of **the School's** internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and recommendations regarding those matters are outlined below. This letter does not affect our report dated February 26, 2010 on the financial statements of **the School**.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various personnel of **the School**, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of the matters and assist you in implementing the recommendations.

BROADMOOR CHARTER SCHOOL BOARD, INC.
CURRENT YEAR COMMENTS

09 - 01 DEFICIT SPENDING

As reported in NOTE 10 of the financial statements of the School at June 30, 2009, the management company waived its working capital loans to the School to eliminate the 2009 deficit of \$800,519. At June 30, 2009, the School had an excess of expenses over revenues of \$800,519 prior to the recognition of revenue in the form of a contribution from the management company of \$800,519 for forgiving the working capital loans.

In our review of the minutes of the Board of Directors and Finance Committee meetings, we noted no evidence of discussions of the status of operations relative to an identification of any operational deficits that had occurred during the 2009 fiscal year. In addition, we noted no indication of the budget being amended to reflect the projected deficit.

Recommendation

We recommend that in the future, minutes of the meetings of the Finance Committee reflect evidence of the Committee and Board awareness of any deficit or excess in financial operations. We also recommend that at the point in the fiscal year a deficit is anticipated the original budget be amended accordingly and presented to the Finance Committee.

BROADMOOR CHARTER SCHOOL BOARD, INC.
CURRENT YEAR COMMENTS, CONTINUED

09 - 02 STUDENT ACTIVITY ACCOUNTS

The School collects funds for various student activities (e.g., clubs, extra curricular activities, etc.). However, **the School** does not maintain the funds within a proper system of accounting for the financial reporting of the receipts and disbursements of such transactions.

Although **the School** maintains an account named student activity fund (SAF), the receipts and disbursements relating to student activities are not the only activities deposited and disbursed from the SAF account. At June 30, 2009, the receipts and disbursements of the SAF account were recorded to revenue and expense accounts.

Only student activity receipts should be held in a separate bank account and maintained as a custodial account, whereas the assets equal liabilities, and there is no measurement of the result of operations.

Recommendation

We recommend that **the School** adhere to its written policy and procedures related to student activity transactions in order to manage the receipt and disbursement of student activity funds and allow for the proper and accurate financial reporting of such transactions.

BROADMOOR CHARTER SCHOOL BOARD, INC.
CURRENT YEAR COMMENTS, CONTINUED

09 - 03 CAPITALIZATION OF FIXED ASSETS

The School's current capitalization policies state that items with a useful life greater than one (1) year and cost at least \$1,000 (\$500 for curriculum) or \$1,000 for bulk items are to be capitalized and depreciated over the estimated useful lives of the assets.

Recommendation

In an effort to ensure that the benefits of maintaining fixed asset records exceed the related cost, we recommend that **the School** re-examine their capitalization policies and choose to institute a higher capitalization threshold, more in-line with the required threshold of the State of Louisiana.

BROADMOOR CHARTER SCHOOL BOARD, INC.
STATUS OF PRIOR YEAR COMMENT

No matters reported in the prior year.

This report is intended solely for the information and use of management, the School's Board of Directors, the Louisiana Recovery District, the Louisiana Legislative Auditor and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

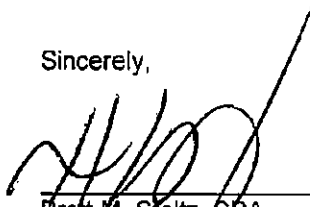
Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

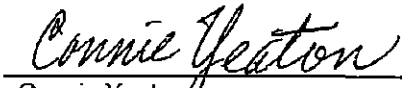
February 26, 2010

Management Letter Comment Responses:

- 09-1 The Charter Agreement stipulates that all operational expense incurred by the Charter will be paid by the management company and subsequently reimbursed by the Charter upon collection of revenues. The Charter is in its second year of operation and subsequent to year end moved into a completely refurbished facility. The expenses of startup and transition were more than anticipated and an operating deficit of approximately \$370,000 resulted. The increases relating to transportation costs, food service expense, and building repair and maintenance were communicated and discussed at the Board's monthly meetings. Managements estimate of results of operation which operates as the amended budget were adjusted internally to reflect this deficit. This deficit was paid by the management company. We will work with the management company to enhance the flow of information throughout the year.
- 09-2 Agreed. The management company is working with the School Operations Manager to implement a separate accounting system to be utilized for tracking and reporting to the Board activity fund financial positions. It is intended to have this system in place during the 09/10 school year.
- 09-3 The Board will evaluate its capitalization policy and make a determination as to the threshold to be utilized for capturing capital assets. The Board will take action on this prior to 09/10 school year for implementation in 2010/11.

Sincerely,


Brett M. Stoltz, CPA
Regional Controller
Edison Learning, Inc.


Connie Yeaton
Board President
Broadmoor Charter School Board



CORRECTIVE ACTION PLAN
Broadmoor Charter School Board
Fiscal Year Ended June 30, 2009

Legislative Auditor
State of Louisiana
PO Box 94397
Baton Rouge, LA 70804-9397

Connie Yeaton
President

LaToya Cantrell
Vice-President

Derek Rabb
Co-treasurer

Eric Smith
Co-treasurer

Nancy Isaacson
Secretary

Stephen Tremaine

Hal Roark

Marilyn Crump

Nancy J. Marshall

Sharon Hyde Augillard

Anthony Williams

In response to findings for the current period, prior year findings, and management letter comments issued February 26, 2010 in conjunction with the audit of the Broadmoor Charter School Board for the fiscal period ending June 30, 2009, we offer the following Corrective Action Plan:

Corrective Action Plan for Schedule of Findings and Questioned Cost:

<u>Finding No.</u>	<u>Corrective Action Plan</u>
09-1	During the 08/09 fiscal year, the school purchased an accounting software system to be utilized to consolidate financial records of the management company and the Board. During the year, the School Operations Manager began utilizing this software by recording the Board's activity throughout the year. The management company's financial data was prepared and provided to the Board in the form of monthly budget to actual comparison reports. The consolidation of records did not occur until after year end in preparation of the audit. The management company has requested that a resolution from the Board asking to be included on copies of monthly bank statements so that a complete record can be prepared by the management company on a regular basis going forward. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153
09-2	The Broadmoor Charter School Board, Inc. has contracted with a charter school management company to manage the operations of its school Andrew H. Wilson Charter School. The contractual agreement requires quarterly financial statements to the charter operator. During the fiscal year, the management company provided statements representing result of operations for the previous month and year-to-date activity with comparison to budget for the expenditures paid for by the management company on behalf of the charter. The revenues and Board expenditures were available to the Board through its own accounting. As noted in finding 09-1, financials representing all transactions and balance sheet information will be presented by the management company to the Board going forward. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153
09-3	We agree that the audit reports shall be submitted within 6 months of the fiscal year-end. The final trial balance for the period ended June 30, 2009 was provided to the auditor in October 2009 which should have allowed sufficient time to complete the audit prior to December 31, 2009. We agree that in the future an auditor authorized to conduct audits in the State of Louisiana will be

selected and that an engagement letter will be submitted for approval to the Legislative Auditors Office before the end of this fiscal year. We will work with the audit firm and the management company to ensure that this occurs and that the audit is completed prior to December 31, 2010. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153

- 09-4 There is an established internal control system in place to ensure timely and accurate recording of financial activity and any subsequently needed adjustments. The financial data submitted to the auditors on October 24, 2009 was not materially different than what was finally opined on by the auditors in this report. Subsequent to the end of the year and beginning of fieldwork, a decision was made to make a provision for a loss on receivables totaling \$431,241 as recommended by the auditor. This write down was not considered in the 2008-2009 budget period as it was believed that this receivable was recoverable. In addition, the trial balance dated October 24, 2009 made an allowance for an operational expense loan from the management for \$336,423.47 in the form of a credit to management fee expense. The journal entries as proposed by the auditor, which mostly represented reclassification of revenues amongst grants, resulted in a net combined adjustment of \$800, 519 as explained above. The difference of \$32,855 between what was reported to the auditor in October 2009 and what was reflected in the audited financial statements prior to the decision to write down the receivable was not material to the financial statements and we believe does not merit a reportable condition of a material weakness. However, we will work to strengthen the internal controls in place to ensure that accurate and timely financial information is reported. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153
- 09-5 We agree that a complete inventory of all capitalized fixed assets shall be taken at year end and reconciled to the financial data. An inventory was conducted by the staff and evidence of that inventory was provided to the auditor. However, the inventory records were not completely reconciled to the financial data until after the books were closed. We will be sure to reconcile this data for next years audit as part of the end of year inventory and closeout process. This will be done prior to closing the books. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153
- 09-6 The grant periods for these grants extended beyond the school fiscal year end. The reimbursement request was submitted on June 30, 2009 to close out the school year. The request included some items that had not yet been paid for but were in the payment process. The school is aware of Louisiana DOE grant reimbursement guidelines and realizes that these items should have been held till the subsequent request. The item questioned were subsequently paid for within the grant period. The staff has been made aware of this requirement. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153.
- 09-7 Wilson Charter School is a Title 1 school. As a Title 1 school, all salaries are eligible for reimbursement unless they are funded

through another grant. We provided the auditor with payroll records for only a select group of employees. The school had several other eligible salaries for reimbursement and should have included in the documentation provided. This information is available upon request. Brett M. Stoltz, CPA, Regional Controller – 985-778-9153.

Prior Year Finding responses:

- 08-1 This finding was partially addressed in the 08/09 school year. See finding response at 09-1. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153.
- 08-2 Interim financial statements are prepared on a monthly basis by the management company and provided to the Board at the monthly meetings. These statements represent only the management company's portion of the total expenditures for the Board. Expenses incurred and revenue received by the Board was maintained separately by the Board and the School Operations Manager. This information was available to the Board through its records. We have subsequently set up a system to consolidate this activity so that a condensed report will be made available to the Board going forward. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153.
- 08-3 Agreed. The management company, the schools administration, and the Board will work to ensure that the selection of audit firms will be completed and submitted for approval to the Legislative Auditor. We will work closely with the administration and Management Company to ensure that this process will commence in sufficient time so that audited financial statements can be submitted to the legislative auditor within the required time frame. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153
- 08-4 Agreed. A complete inventory of all capitalized fixed assets shall be taken at year end and reconciled to the financial data. An inventory was conducted by the staff in 08/09 and evidence of that inventory was provided to the auditor. The inventory records were not reconciled to the financial data until after the books were closed. We will be sure to reconcile this data for next years audit prior to closing the books and as part of a year end inventory and closeout. Contact Person: Brett M. Stoltz, CPA, Regional Controller – 985-778-9153.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

ATTACHMENT I

<u>Current Year Finding Number</u>	<u>Description</u>	<u>Resolved</u>	<u>Questioned Costs</u>
09-01	Accounting System	No	\$ -
09-02	Financial Reporting	No	\$ -
09-03	Submission of Audit Report	No	\$ -
09-04	Material Audit Adjustments	No	\$ -
09-05	Physical Inventory	No	\$ -
09-06	Reimbursement Requests	No	\$ 54,210
09-07	Unallowed Costs	No	\$ 14,126

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

ATTACHMENT II

<u>Prior Year Finding Number</u>	<u>Description</u>	<u>Resolved</u>
08-01	Accounting System	No
08-02	Financial Reporting	No
08-03	Submission of Audit Report	No
08-04	Physical Inventory	No

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards**

09-01 - Information System

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

Transactions relating to expenditures made on behalf of the School by the management company and state and federal funding of the School received by the management company from the Board of the School are recorded to an accounting system maintained and operated by the management company. Transactions relating to activities of the Board, food services and student activities are maintained and accounted for at the central office by employees of the School. We noted during the year that all transactions relating to activities of the School were not recorded in a centralized information system.

During the 2009 fiscal year, only classified revenues and expenses attributable to the management company, as explained above, were reported to the Board of the School. Also, during the 2009 fiscal year, neither the management company nor employees of the School produced or provided financial reports of the School's balances of assets or liabilities.

In order to provide financial statements for the audit, the management company manually processed the combined accounting transactions of 2009, which certain transactions were maintained by the management company and the central office, utilizing a spread sheet program.

Effect

The interim financial statements did not include balances of assets and liabilities and only included the revenue and expense transactions generated by the management company.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
(Continued)

09-01 - Information System, Continued

Cause

The School has failed to establish an information system for financial information that is effective and efficient.

Recommendation

We recommend that **the School** establish an information system relevant to financial reporting consisting of methods established to identify, assemble, analyze, classify, record, and report transactions and conditions and maintain accountability for **the School's** assets and liabilities. We recommend that this information system be maintained at the central office and be computerized, utilizing a chart of accounts recommended for school systems by the Louisiana State Department of Education. All transactions of **the School** should be processed through this information system. Also, **the School** should review and revised as necessary its financial reporting procedures to ensure that the financial statements at interim or year end are prepared timely and accurately.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
(Continued)

09-02 - Financial Reporting

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

The second amended management agreement between **Broadmoor Charter School Board, Inc.** and Edison Schools, Inc. states in article 6.1(b) that –

“Edison shall provide quarterly financial statements to the Charter Operator pursuant to the Charter School Fiscal Oversight Policy contained within Exhibit I of the Charter Agreement. These statements shall reflect the school’s entire financial operation, including an itemized accounting of all amounts paid to Edison or otherwise paid for the services, which amounts shall be itemized in a manner that clearly corresponds with those categories provided in the Charter School’s annual budget or this Agreement.”

Condition

As reported in finding 09-01, financial reports submitted to the Board of Directors by the management company do not include information on **the School’s** balances of assets and liabilities nor do these financial reports include the activities of the Board, food services and school activities accounts. These submitted financial reports include only the revenue and expense transactions handled by the management company. As such, complete financial statements prepared in accordance with generally accepted accounting principles (GAAP) of all the activities of **the School** were not presented to the Board for their review and analysis, during interim or at year end.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
(Continued)

09-02 - Financial Reporting, continued

Effect

The interim financial statements were not reliable for management's and the Board of Directors' review and analysis of the financial position and the changes in net assets of the School.

Cause

The School lacks an information system that produces complete and accurate financial information on a timely basis.

Recommendation

We recommend that the School immediately establish policies and procedures that require that interim financial statements are prepared timely (within 30 days of month end) and accurately, and are complete to include the entire school operations, i.e., the reporting of cash, receivables, fixed assets, payables and other statement of financial position accounts, as applicable, as well as the statement of activities accounts. These financial statements should include all transactions handled by the management company and the central office.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
(Continued)

09-03 - Submission of Audit Report

Criteria

LSA-RS 24:513 (A)(5)(I) requires audit reports to be completed and submitted to the State of Louisiana Legislative Auditor within six (6) months after year end, unless the Louisiana Legislative Auditor Audit Advisory Council approves an extension request, based only on a natural disaster, to file the audit report with the Louisiana Legislative Auditor by a specific date.

Condition

The June 30, 2009 audited financial statements were not submitted to the Legislative Auditor by the statutory due date of December 31, 2009. The Legislative Auditor had approved an extension of time for **the School** to file its annual June 30, 2009 financial report by no later than February 26, 2010. **The School** was granted this extension for circumstances other than a natural disaster.

Effect

An audit report filed with an approved extension from the Legislative Auditor after the six (6) months timeframe for any reason other than for a natural disaster is a violation of the State audit completion and submission law.

Cause

The School's financial statements were not completed until late October 2009.

Recommendation

We recommend that **the School** review its financial reporting procedures to ensure that audit engagements are submitted to the State of Louisiana Legislative Auditor within the required time frame.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
(Continued)

09-04 - Material Audit Adjustments

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

We identified material misstatements in the financial statements as of and for the year ended June 30, 2009 that was not initially identified by the School's internal control. Material audit adjustments were made to grants receivable and revenues, equipment and accrued liabilities, due to management company, and other revenue and expense accounts.

Effect

The School's financial statements for the year ended June 30, 2009 were materially misstated.

Cause

Effective controls did not exist in 2009 fiscal year to prevent or detect a material misstatement of the financial statements.

Recommendation

We recommend that the School design proper controls to prevent or detect a material misstatement of the financial statements.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
(Continued)

09-05 - Physical Inventory

Criteria

According to the School's fixed asset policy, the management of the School is required to conduct an annual physical inventory of capital assets and noncapital furniture and equipment.

Condition

During our test work of fixed assets, we were only provided reports of the inventories taken for technology equipment and furnishings. We did not receive any inventory reports for the curriculum textbooks and workbooks recorded at June 30, 2009 as fixed assets in the amount of \$551,035. From our inspection of the two (2) inventory reports we did receive, we noted no evidence of the date the inventories were performed, who performed the inventories, and who approved the results of the inventories. Also, we did not note any evidence that would provide support to document that the results of inventories were reconciled to the fixed assets subsidiary records.

Effect

Internal controls for safeguarding the property of the School are weakened by not conducting physical inventories as required. Also, a capital asset may not be properly adjusted for the loss of its value due an impairment or adjusted for a missing capital asset.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards
(Continued)**

09-05 - Physical Inventory, Continued

Cause

The School did not adhere to its policies and procedures regarding performance of a complete annual inventory of capital assets.

Recommendation

We recommend that **the School** follow its policy and procedures to conduct a complete annual physical inventory of property, reconcile the results of the inventory to the books and records of **the School** and make the necessary adjustments to the books and records based on the results of the inventory.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards

09-06 - Reimbursement Requests

CFDA 84.010 Title I
CFDA 84.282 Public Charter Schools Program

Criteria

Title I and Public Charter Schools Program (PCSP) Federal funds are passed through the Louisiana Department of Education (LDOE). As such, subrecipients of Federal funds are required to follow the guidance included in LDOE's "Grants Management Quick Reference" guide for requests for funds which states in part:

"Each recipient may request only actual expenditures for which he/she has issued a check for payment. Salaries and fringe benefits are the only exception of this policy. Due to the processing time incurred between the mailing of the claim for reimbursements and the actual receipt of funds from the LDOE, a recipient may estimate and request payroll costs one month in advance. However, on final determination of actual payroll costs, when an estimate of payroll is in excess of actual expenditures, the excess cash must be reported on the next claim for reimbursement. The amount of funds requested on the next claim for reimbursement must be reduced by the amount of the excess cash".

Condition

The reimbursement method is authorized by the State pass-through entity to reimburse **the School** for allowable grant costs. We noted during our audit that **the School** requested reimbursement and subsequently received reimbursement for costs that had not been paid prior to the date of the reimbursement requests.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards
(Continued)

09-06 - Reimbursement Requests, Continued

Questioned Costs

\$41,533 and \$12,677 of reimbursed grant costs are questioned for Title I and PSCP, respectively.

Effect

The School has not complied with the State reimbursement method for allowable grant costs requirements.

Cause

The School's procedures to request reimbursement of allowable grant costs did not preclude requesting grant costs that were paid after the date of the reimbursement request.

Recommendation

We recommend that **the School** revise its current request for reimbursement procedures to ensure that reimbursement requests are only made for paid grant costs, except payroll costs which can be requested up to one (1) month in advance.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III - Findings and Questioned Costs Related to Federal Awards
(Continued)

09-07 - Unallowed Costs

CFDA 84.010 Title I

Criteria

According to 2 CFR Part 230 Appendix A to Part 230 - General Principles, Section A.b., costs charged to a federal grant program must be reasonable as imposed by terms and conditions of the award.

Condition

The School could not provide documentation to support \$14,126 in salary costs claimed and received from reimbursement request number 3 during the June 30, 2009 fiscal year.

Questioned Costs

\$14,126.

Effect

Undocumented grant reimbursement costs are subject to recapture by the granting agency.

Cause

The School failed to ensure that all grant expenses claimed for reimbursement are properly documented.

Recommendation

We recommend that **the School** take the necessary actions to ensure that all claimed expenses for reimbursement from grantors are adequately supported with documentation.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

**Section I - Internal Control and Compliance Material
to the Financial Statements**

08-01 Accounting System

Recommendation

We recommended that the School utilize a computerized accounting system to improve efficiency. All transactions of the School should be processed through the accounting system. This system should be set-up to classify accounts the same as reported to the State. Also, the School should review and revise as necessary its financial reporting procedures to ensure that the financial statements at interim or year end are prepared timely and accurately.

Current Status

Unresolved. See current year finding 09-01.

08-02 Financial Reporting

Recommendation

We recommended that the management of the School immediately revise its procedures to ensure that interim financial statements are prepared timely (within 30 days of month end) and accurately.

Current Status

Unresolved. See current year finding 09-02.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

**Section I - Internal Control and Compliance Material
to the Financial Statements, Continued**

08-03 Submission of Audit Report

Recommendation

We recommended that **the School** review its financial reporting procedures to ensure that audit engagements are submitted to the State of Louisiana Legislative Auditor within the required time frame.

Current Status

Unresolved. See current year finding 09-03.

08-04 Physical Inventory

Recommendation

We recommended that **the School** follow its policy and procedures to conduct an annual physical inventory of capital assets.

Current Status

Unresolved. See current year finding 09-05.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

Section II - Finding and Questioned Costs
Related to Federal Awards

No matters reported.

Section III - Management Letter

No matters reported.

BROADMOOR CHARTER SCHOOL BOARD, INC.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

FOR THE YEAR ENDED JUNE 30, 2009

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Member
American Institute of
Certified Public Accountants
Society of Louisiana
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Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Broadmoor Charter School Board, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the **Broadmoor Charter School Board, Inc. (the School)** and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management, Board of Directors, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 26, 2010

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS

Our procedures and findings relate to the accompanying schedules and are as follows:

***General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources (SCHEDULE 1)***

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

No differences noted.

Education Levels of Public School Staff (SCHEDULE 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total number of full-time classroom teachers per this schedule and to the School's supporting payroll records as of October 1, 2008.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Education Levels of Public School Staff (SCHEDULE 2), Continued

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total of principals and assistant principals per this schedule.

No differences noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2008 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

No differences noted.

Number and Type of Public Schools (SCHEDULE 3)

5. We did not obtain a list of schools by type as reported on the schedule. Also, we did not compare the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

This procedure was not applicable because the School operates only one charter school, which includes grades K to 6th.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (SCHEDULE 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2008 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Public School Staff Data (SCHEDULE 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation and full-time equivalents were properly included on the schedule.

No differences noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

Class Size Characteristics (SCHEDULE 6)

9. We obtained a list of classes by school, school type and class size as reported on the schedule. We then traced a random sample of 10 classes to the October 1, 2008 roll books for those classes and determined if the class was properly classified on the schedule.

No differences noted.

**Louisiana Educational Assessment Program (LEAP) for
the 21st Century (SCHEDULE 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by **the School**.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Graduation Exit Exam for the 21st Century (SCHEDULE 8)

11. We did not obtain test scores as provided by the testing authority and reconcile scores as reported by the testing authority to scores reported in the schedule by **the School**.

This procedure was not applicable because **the School** operates only one charter school, which includes grades K to 6th.

The iLEAP Tests (SCHEDULE 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by **the School**.

No differences noted.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA)

SCHEDULE 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum, Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

SCHEDULE 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph.D. or Ed.D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 5 - Public School Staff Data

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20; 21-26, 27-33, and 34+students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**SCHEDULE 7 - Louisiana Educational Assessment Program (LEAP)
for the 21st Century**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

SCHEDULE 8 - The Graduation Exit Exam for the 21st Century

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

BROADMOOR CHARTER SCHOOL BOARD, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 9 - The iLEAP Tests

This schedule represents student performance testing data and includes statewide and district summary scores for grades 3, 5, 6, 7 and 9 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory.

**Broadmoor Charter School Board, Inc.
New Orleans, Louisiana**

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2009**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,375,477	
Other Instructional Staff Activities	260,047	
Employee Benefits	393,925	
Purchased Professional and Technical Services	103,317	
Instructional Materials and Supplies	117,002	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>\$ 2,249,768</u>	

Other Instructional Activities	92,562
--------------------------------	--------

Pupil Support Activities	235,464	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u>235,464</u>	

Instructional Staff Services	894	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u>894</u>	

School Administration	317,342	
Less: Equipment for School Administration	-	
Net School Administration	<u>317,342</u>	

Total General Fund Instructional Expenditures	<u>\$ 2,896,030</u>
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Total General Fund Equipment Expenditures	<u>\$ -</u>
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Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	<u>\$ -</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Real Property	\$ -
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	<u>\$ -</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ -</u>

See accompanying independent accountants' report on applying agreed-upon procedures.

**Broadmoor Charter School Board, Inc.
New Orleans, Louisiana**

**Education Levels of Public School Staff
As of October 1, 2008**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	12	63.1%	7	100.0%				
Master's Degree	6	31.6%						
Master's Degree + 30	1	5.3%			1	100.0%		
Specialist in Education								
Ph. D. or Ed. D.								
Total	19	100.0%	7	100.0%	1	100.0%		

See accompanying independent accountants' report on applying agreed-upon procedures.

**Broadmoor Charter School Board, Inc.
New Orleans, Louisiana**

**Number and Type of Public Schools
For the Year Ended June 30, 2009**

Type	Number
Elementary	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

Note: Schools opened or closed during the fiscal year are included in this schedule.

See accompanying independent accountants' report on applying agreed-upon procedures.

**Broadmoor Charter School Board, Inc.
New Orleans, Louisiana**

**Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers
As of October 1, 2008**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	0	0	0	0	0
Principals	0	0	0	0	0	0	1	1
Classroom Teachers	9	7	5	1	1	0	3	26
Total	9	7	5	1	1	0	4	27

See accompanying independent accountants' report on applying agreed-upon procedures.

**Broadmoor Charter School Board, Inc.
New Orleans, Louisiana**

**Public School Staff Data
For the Year Ended June 30, 2009**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 49,153.12	
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 49,153.12	
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	26	

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

See accompanying independent accountants' report on applying agreed-upon procedures.

**Broadmoor Charter School Board, Inc.
New Orleans, Louisiana**

**Class Size Characteristics
As of October 1, 2008**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	20.5%	27	58.3%	77			1.5%	2
Elementary Activity Classes	5.3%	7	9.1%	12	3.0%	4	2.3%	3
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination	20.5%	27	58.3%	77			1.5%	2
Combination Activity Classes	5.3%	7	9.1%	12	3.0%	4	2.3%	3

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See accompanying independent accountants' report on applying agreed-upon procedures.

**Broadmoor Charter School Board, Inc.
New Orleans, Louisiana**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2009**

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	2	3%	0	0%			3	4%	0	0%		
Mastery	12	16%	6	10%			9	12%	6	10%		
Basic	39	53%	19	32%			29	40%	18	31%		
Approaching Basic	15	21%	19	32%			19	26%	18	31%		
Unsatisfactory	5	7%	15	26%			13	18%	17	28%		
Total	73	100%	59	100%			73	100%	59	100%		

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0%	0	0%			0	0%	0	0%		
Mastery	3	4%	2	4%			0	0%	1	2%		
Basic	25	34%	9	15%			36	49%	15	25%		
Approaching Basic	35	48%	26	44%			22	30%	11	19%		
Unsatisfactory	10	14%	22	37%			15	21%	32	54%		
Total	73	100%	59	100%			73	100%	59	100%		

Note: The School was not operating during the 2007 fiscal year.

Note: The School did not service the 8th grade level during the fiscal years shown above.
Therefore, information relating to the 8th grade level is not presented.

See accompanying independent accountants' report on applying agreed-upon procedures.

Broadmoor Charter School Board, Inc.
New Orleans, Louisiana

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

Note: This schedule does not apply.

See accompanying independent accountants' report on applying agreed-upon procedures.

The iLEAP Tests
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics	
	2007		2007	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				

Note: The School was not operating during the 2007 fiscal year.

See accompanying independent accountants' report on applying agreed-upon procedures.

The /LEAP Tests
For the Year Ended June 30, 2009

/LEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	3	5%	6	10%	0	0%	0	0%
Mastery	6	10%	3	5%	2	3%	3	5%
Basic	12	19%	17	27%	12	19%	31	50%
Approaching Basic	20	32%	16	26%	30	49%	11	18%
Unsatisfactory	21	34%	20	32%	18	29%	17	27%
Total	62	100%	62	100%	62	100%	62	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	1	4%	0	0%	0	0%	2	8%
Basic	8	32%	9	36%	4	16%	12	48%
Approaching Basic	6	24%	6	24%	13	52%	7	28%
Unsatisfactory	10	40%	10	40%	8	32%	4	16%
Total	25	100%	25	100%	25	100%	25	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	0	0%	0	0%
Basic	0	0%	0	0%	0	0%	0	0%
Approaching Basic	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	0	0%	0	0%
Basic	0	0%	0	0%	0	0%	0	0%
Approaching Basic	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	0	0%	0	0%
Approaching Basic	0	0%	0	0%
Unsatisfactory	0	0%	0	0%
Total	0	0%	0	0%

See accompanying independent accountants' report on applying agreed-upon procedures.

The /LEAP Tests
For the Year Ended June 30, 2009

/LEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	2	3%	1	1%	2	3%	1	1%
Basic	17	22%	22	29%	14	19%	21	28%
Approaching Basic	32	43%	26	35%	39	53%	31	42%
Unsatisfactory	24	32%	26	35%	19	25%	21	28%
Total	75	100%	75	100%	74	100%	74	99%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	2	6%	4	11%	5	14%	5	14%
Basic	13	36%	15	42%	9	25%	19	53%
Approaching Basic	17	47%	8	22%	14	39%	8	22%
Unsatisfactory	4	11%	9	25%	8	22%	4	11%
Total	36	100%	36	100%	36	100%	36	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	1	4%	0	0%	1	4%
Basic	8	32%	14	56%	11	44%	11	44%
Approaching Basic	9	36%	1	4%	9	36%	7	28%
Unsatisfactory	8	32%	9	36%	5	20%	6	24%
Total	25	100%	25	100%	25	100%	25	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	0	0%	0	0%
Basic	0	0%	0	0%	0	0%	0	0%
Approaching Basic	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	0	0%	0	0%
Approaching Basic	0	0%	0	0%
Unsatisfactory	0	0%	0	0%
Total	0	0%	0	0%

See accompanying independent accountants' report on applying agreed-upon procedures.